

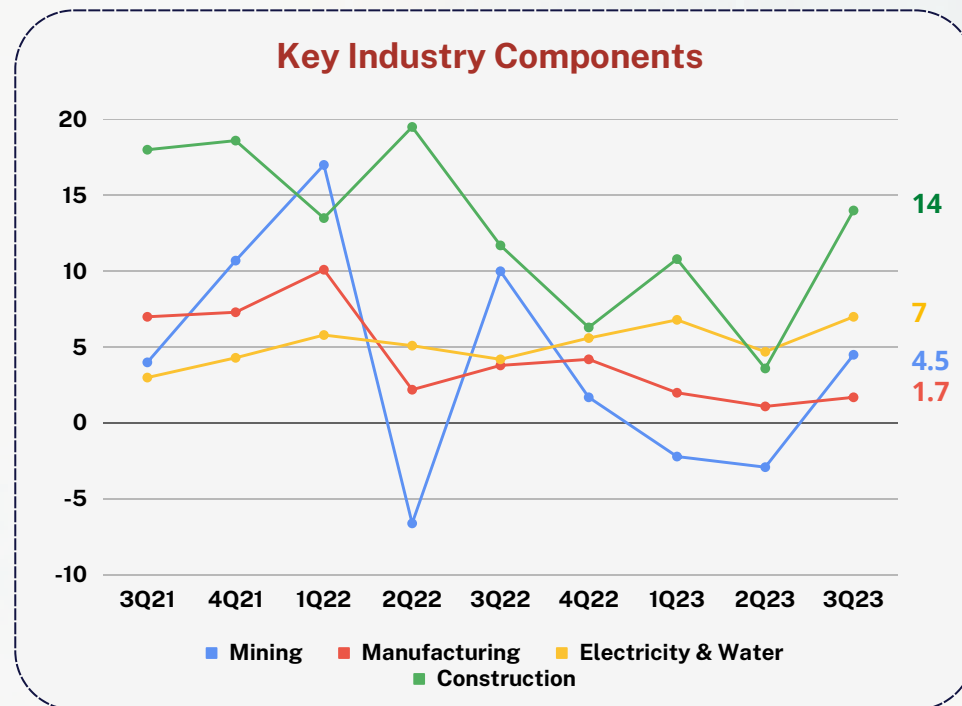
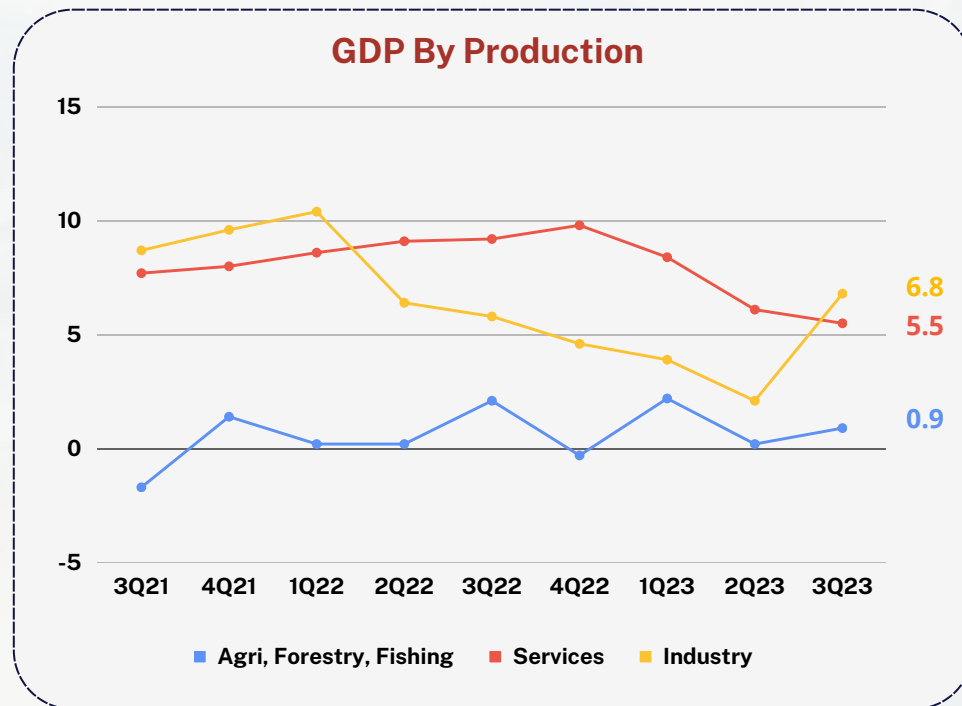
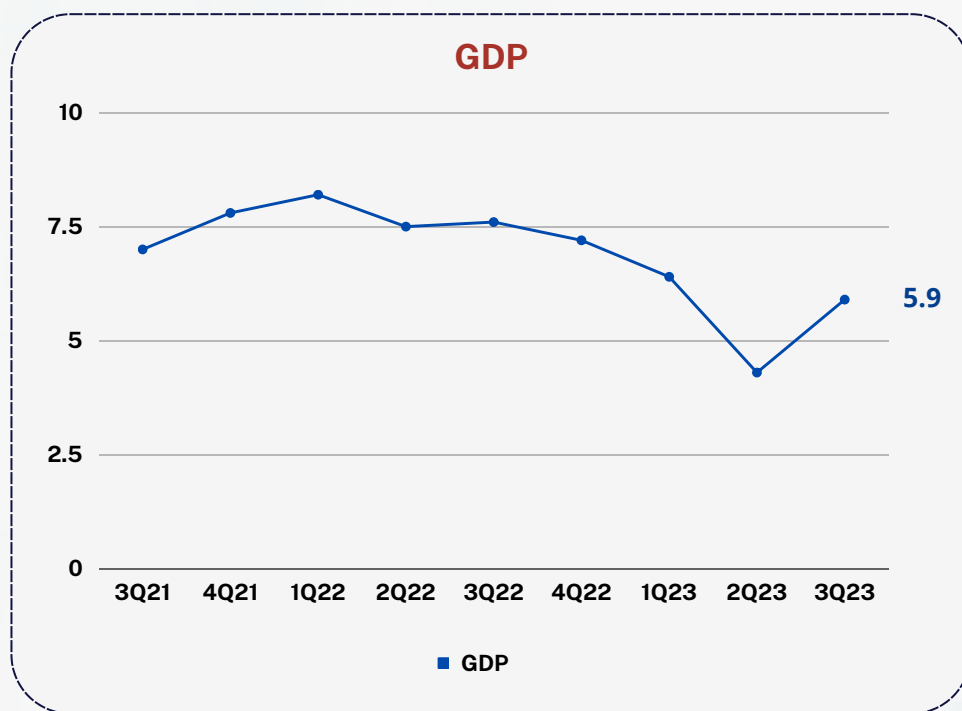
5.9%

Q3-2023 Growth Rate

4.3%

Q2-2023 Growth Rate (previous quarter)

GROWTH IN %



PH ECONOMY PICKS UP AT 5.9%, ACCELERATED FASTER THAN EXPECTED

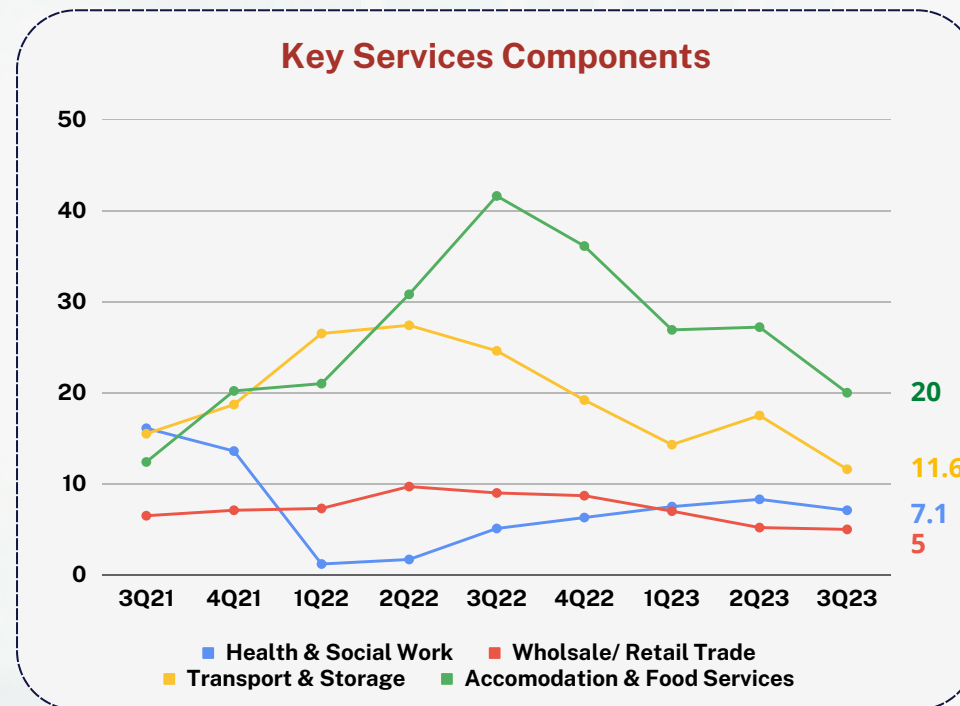
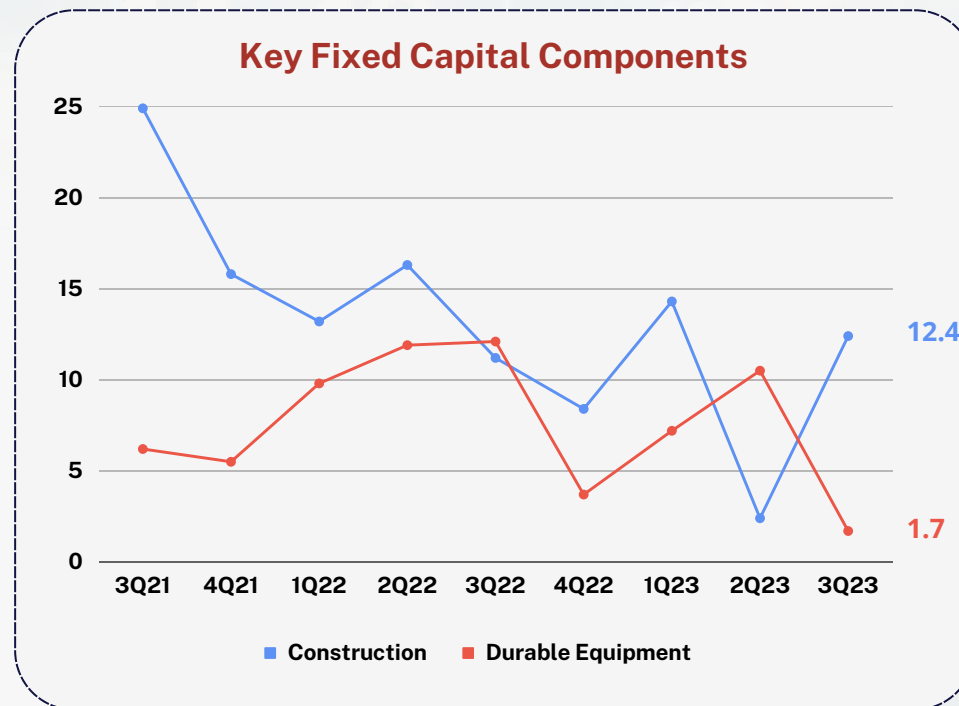
Philippine economic growth accelerated faster than anticipated to 5.9% in the third quarter of 2023 led by industry and government spending, up from 4.3% in the previous quarter. However, the economy needs to grow 7.2% in the fourth quarter to achieve the government's annual growth target of 6–7%. The NEDA Secretary stated the economy needs to achieve “at least 7.2% in Q4 to achieve the target.”

On the demand side, Government Spending expanded to 6.7% from 0.7% in the same quarter last year and Household Spending grew to 5.0%, while Investment (gross capital formation) contracted to -1.6% from a high of 18.2% in 2022. On the supply side, Services grew 5.5%, Industry 6.8%, and Agriculture 0.9%. Trade grew with exports of goods and services at 2.6% and imports of goods and services slowing down to -1.3%.

Some sub-sectors grew at a faster rate. Accommodation and Food Service activities grew at 20.0%, Other services (which includes arts, entertainment, and other service activities) at 16.3%, and Construction jumped to 14.0% from 3.0% in the previous quarter. Meanwhile, laggards during the third quarter were Agriculture (0.9%), Manufacturing (1.7%), and Public Administration and Defense (3.6%).

Sec. Balisacan noted that while inflation eased to 4.9% in October, “we will continue to prioritize measures protecting the people’s purchasing power and provide support to agricultural production, especially as El Niño is expected to continue in coming months.” On investment promotion, the government will also “leverage the full implementation of liberalization reforms.” He cites the passage of the PPP Act as one of the reforms boosting private sector participation, expected to be signed into law by the tail end of this year.

It is also important to note that two other economy-boosting bills are awaiting the President’s signature. These are the Ease of Paying Taxes and Internet Transactions measures. These reforms will be a boon for taxpayers, entrepreneurs, consumers, and all Filipinos. The bills are foreseen to create a more attractive investment climate and generate more and better jobs for the Filipino people.




ARSENIO BALISACAN
Secretary
National Economic and Development Authority

“For this quarter, our economy has grown despite several headwinds. But we will need to reach at least 7.2% to achieve our full-year targets. Government agencies have also responded to the call to accelerate public spending. These significantly addressed the contraction from previous quarter — and we hope to maintain this momentum for the rest of the year.”



ROBERT DAN ROCES
Chief Economist
Security Bank

“The current data suggests a robust demand environment, reflecting economic resilience. The BSP will want to balance the need to control inflation without significantly hampering economic growth, particularly in a globally uncertain environment.”



MICHAEL RICAFORT
Chief Economist
RCBC

“The delivery of more reform measures, especially in fiscal/tax and other economic reform measures will help further ease limits on foreign ownership, and therefore attract/encourage the entry of more foreign investment.”



NICHOLAS MAPA
Senior Economist
ING Bank

“Household spending will be a positive contributor but we do see a moderation from the 2Q pace of expansion as households grapple with still elevated inflation and now higher debt burden.”

Read this report on MBC's website:
<https://tinyurl.com/MBC-GDPIinsights-3Q23>

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